

Message Text

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ACTION AF-18

INFO OCT-01 ISO-00 PM-07 L-03 NSC-07 CIAE-00 DODE-00

INR-10 NSAE-00 PA-04 RSC-01 USIA-15 PRS-01 SPC-03

AID-20 PC-04 EB-11 TRSE-00 FRB-02 XMB-07 COME-00

OMB-01 DRC-01 (ISO) W

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R 081412Z MAR 74

FM AMEMBASSY ADDIS ABABA

TO SECSTATE WASHDC 7930

INFO AMCONSUL ASMARA

UNCLAS ADDIS ABABA 2602

E.O. 11652: N/A

TAGS: ELAB ET EFIN EGEN

SUBJECT: PRIMIN ANNOUNCES BUDGET REVIEW/AUSTERITY PROGRAM

REF: ADDIS 2570 PARA 7

1. THERE FOLLOWS FULL TEXT, UNNECESSARY WORDS OMITTED, OF PRIMINISTRY PRESS RELEASE DATED MARCH 7 ON SUBJECT ACTIONS: QUOTE IN COURSE OF LAST FEW DAYS, A NUMBER OF IMPORTANT DECISIONS HAVE BEEN TAKEN BY IEG WHICH WILL DRASTICALLY AFFECT GOVERNMENT'S FISCAL PROGRAM AND ITS ABILITY TO MEET STANDING BUDGETARY COMMITMENTS. ONE OF MOST URGENT TASKS FACING NEW GOVERNMENT IS TO REVIEW IMPLICATIONS OF THESE DECISIONS ON BUDGET AND ON EXISTING AND NEW PROGRAMS OF DEVELOPMENT.

WITH THIS IN MIND AND VIEW TO ENSURING MAXIMUM ECONOMY, PRIMIN HAS SET UP TASK FORCE TO REVISE EXISTING BUDGET IN LIGHT OF RECENT DEVELOPMENTS AND TO PREPARE AUSTERITY PROGRAM WHICH WILL ENABLE GOVERNMENT TO CARRY ON ITS WORK WITH LEAST COST AND MINIMUM WASTE.

TASK FORCE HAS BEEN EXPCIALY INSTRUCTED TO ENSURE DEVELOPMENT PROGRAMS ARE NOT SERIOUSLY HAMPERED.

MOREOVER, IT WILL BE PRIMARY RESPONSIBILITY OF TASK

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FORCE TO REVIEW THE GENERAL ECONOMIC AND FISCAL POLICY

OF THE GOVERNMENT WITH VIEW TO RECOMMENDING PROPOSALS WHICH WILL ENHANCE FINANCIAL RESOURCES NECESSARY TO MEET NATION'S PRESENT AND FUTURE NEEDS THROUGH APPLICATION OF TWIN INSTRUMENTS OF NATIONAL ECONOMY AND PROMOTION OF ECONOMIC AND SOCIAL DEVELOPMENT-.

TWO STAGES ARE ENVISAGED IN PROCESS. FIRST AND MORE IMMEDIATE ONE WILL BE TO WORK OUT SET OF MEASURES AND PROPOSALS AIMED AT REVISING EXISTING GOVERNMENT PROGRAMS AND INTRODUCING AUSTERITY BUDGET. THIS WILL BE PRESENTED TO COUNCIL OF MINISTERS WITHIN FORTNIGHT. SECOND WILL BE TO REVIEW FISCAL MONETARY AND GENERAL ECONOMIC POLICY AND TO PREPARE NEW ECONOMIC AND SOCIAL PROGRAM FOR GOVERNMENT.

TASK FORCE IS CHAIRED BY MINISTER OF PLANNING AND DEVELOPMENT AND WILL BE COMPOSED OF HIGH OFFICIALS OF ECONOMIC MINISTRIES AND OF NATIONAL BANK OF ETHIOPIA. UNQUOTE.

2. COMMENTS TO FOLLOW SEPTTEL.

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Message Attributes

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